

## Message Text

PAGE 01 STATE 209599  
ORIGIN IO-14

INFO OCT-01 EUR-12 ISO-00 AID-05 /032 R

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DRAFTED BY IO/SCT:ADJILLSON  
APPROVED BY IO/SA:EMICHAL  
AID/LEG/T. WEIKE

-----092366 240822Z /21

R 240100Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY VIENNA

UNCLAS STATE 209599

USIAEA

FOL RPT STATE 209599 SENT ACTION AID PRIN POSTSV, MAPUTO,  
PARIS, ROME & GENEVA DTD 17 AUG 78

QUOTE:  
UNCLASS STATE 209599

AIDAC, PARIS FOR EMB AND USOECD, ROME FOR FODAG

E.O. 11652: N/A

DAKAR FOR RDO & OMVS COORD; GUATEMALA FOR USAID & ROCAP;  
KARAC;I FOR AAG & IIS; NAIROBI FOR USAID & REDSO/EA

SUBJECT: LEGISLATIVE CABLE

1. ON MONDAY, AUGUST 14, THE HOUSE PASSED H.R. 12931, THE  
FOREIGN ASSISTANCE APPROPRIATIONS BILL, BY A VOTE OF  
223-167. SEVERAL DEEP CUTTING AMENDMENTS WERE DEFEATED,  
INCLUDING SUBCOMMITTEE CHAIRMAN LONG'S EFFORT TO CUT DOLS.  
584 MILLION FROM THE INTER-AMERICAN DEVELOPMENT BANK AND  
THE INTERNATIONAL DEVELOPMENT ASSOCIATION OF THE WORLD  
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BANK, AND AN 8 PERCENT ACROSS-THE-BOARD REDUCTION BY REP  
CLARENCE MILLER THUS, ON FUNDING LEVELS, THE HOUSE  
APPROVED A TOTAL OF DOLS; 7.176 BILLION, A DOLS. 177  
MILLION CUT FROM THE AMOUNT RECOMMENDED BY THE APPROPRIA-  
TIONS COMMITTEE. MORE SPECIFICALLY, EACH TITLE OF THE BILL  
WAS CUT BY 2 PERCENT IN TOTAL BUDGET AUTHORITY PROVIDED  
THAT NOT MORE THAN 5 PERCENT BE CUT FROM ANY ONE ACCOUNT.  
MIDDLE EAST FUNDS WERE EXEMPTED FROM THE 2 PERCENT CUT.  
THIS ADDS UP TO AN EFFECTIVE REDUCTION OF DOLS. 43 MILLION  
IN TITLE I WHICH CONTAINS ALL AID-RELATED ACCOUNTS AS WELL

AS SEVERAL OTHERS. THE 2 PERCENT REDUCTION TO THE FOREIGN AID BILL FOLLOWS SIMILAR CUTS ON THE HOUSE FLOOR TO OTHER APPROPRIATION BILLS WHICH IS ATTRIBUTED TO CONGRESSIONAL CONCERN OVER THE SO-CALLED QUOTE TAXPAYERS REVOLT UNQUOTE FOLLOWING PASSAGE OF PROPOSITION 13 IN CALIFORNIA. EARLIER HOUSE FLOOR ACTION ON THE APPROPRIATIONS BILL WAS REPORTED IN THE LEGISLATIVE CABLE OF AUGUST 7.

2. THE ONLY MAJOR ADMINISTRATION SETBACKS DURING THE ALL DAY MONDAY SESSION WERE ADOPTION 234-152 OF AN AMENDMENT BY CONGRESSMAN YOUNG TO PROHIBIT THE INTERNATIONAL DEVELOPMENT ASSOCIATION FROM LENDING TO VIETNAM, AND AN ASHBROOK AMENDMENT, ON VOICE VOTE, TO PREVENT THE USE OF FUNDS INDIRECTLY TO CUBA. IT IS EXPECTED THAT THE SENATE WILL RESIST BOTH OF THESE COUNTRY RESTRICTIVE AMENDMENTS.

3. OTHER AMENDMENTS DEFEATED INCLUDE: (1) AN ASHBROOK AMENDMENT TO PROHIBIT THE PEACE CORPS FROM FUNDING ASSISTANCE TO THE CENTRAL AFRICAN EMPIRE; (2) A MATHIS PROTECTIONIST AMENDMENT TO PROHIBIT FUNDS TO THE INTERNATIONAL FINANCIAL INSTITUTIONS TO BE USED FOR ESTABLISHING OR EXPANDING PRODUCTION FOR EXPORT OF STEEL, GRAINS, SUGAR, UNCLASSIFIED

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PALM OIL, CITRUS, TOBACCO OR TIRES ON A VOTE OF 143 TO 239; AND (3) A HANSEN AMENDMENT TO DELETE ALL ECONOMIC ASSISTANCE TO PANAMA ON A VOTE OF 172 TO 302.

4. HOUSE AND SENATE CONFEREES COMPLETED ACTION ON THE FY 79 DEVELOPMENT AUTHORIZATION BILL AUGUST 14. THE CONFEREES REACHED AGREEMENT ON THE FOLLOWING:

A. ON THE SENATE AMENDMENT AUTHORIZING A DOLS. 52 MILLION FY 79 U.S. CONTRIBUTION TO UNRWA, OF WHICH ONLY DOLS. 42 MILLION SHALL BE AVAILABLE UNLESS ANY CONTRIBUTIONS ABOVE THIS LEVEL HAVE BEEN MATCHED BY EQUIVALENT CONTRIBUTIONS BY OPEC COUNTRIES;

B. ON THE HOUSE BILL PROVISION PROHIBITING ASHA ASSISTANCE TO MORE THAN FOUR INSTITUTIONS IN THE SAME COUNTRY, THE HOUSE RECEDED TO THE SENATE VERSION WHICH HAD NO SIMILAR PROVISION, ON CONDITION THAT REPORT LANGUAGE STRESS THE NEED FOR WIDE GEOGRAPHIC DISTRIBUTION AND THE NEED TO FUND ONLY WORTHWHILE PROJECTS WHICH CAN ACTUALLY SERVE AS DEMONSTRATION CENTERS FOR AMERICAN IDEAS AND PRACTICES;

C. ON THE HOUSE BILL PROVISIONS ON THE INTERNATIONAL DEVELOPMENT COOPERATION ADMINISTRATION (IDCA) (TITLE VI QUOTE ZABLOCKI AMENDMENT UNQUOTE) THE SENATE RECEDED ON SECTION 601 (QUOTE DECLARATION OF OBJECTIVES UNQUOTE);

ON SECTION 602 (1) WITH COMPROMISE LANGUAGE QUOTE ENCOUR-  
AGING UNQUOTE RATHER THAN QUOTE DIRECTING UNQUOTE THE

PRESIDENT TO INSTITUTE A STRENGTHENED SYSTEM OF COORDINA-  
TION; AND ON SECTION 603 REQUIRING THE PRESIDENT TO REPORT  
TO THE CONGRESS NOT LATER THAN FEBRUARY 1, 1979 ON  
THE STEPS HE HAS TAKEN TO IMPLEMENT TITLE VI. THE HOUSE  
RECEDED ON SECTION 602(2) WITH RESPECT TO THE ESTABLISH-  
MENT OF AN IDCA ON CONDITION THAT REPORT LANGUAGE STATE  
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THAT THE PRESIDENT SHOULD QUOTE CONSIDER THE ESTABLISHMENT  
UNQUOTE OF AN IDCA;

D. ON THE HOUSE BILL (OBEY AMENDMENT) REQUIRING THE  
PRESIDENT TO SUBMIT BY FEBRUARY 1, 1979 REGULATIONS  
ESTABLISHING A UNIFIED PERSONNEL SYSTEM FOR AID, THE  
SENATE RECEDED SUBJECT TO MODIFICATIONS OF THE EXISTING  
LANGUAGE TO SUBSTITUTE A MARCH 15, 1979 DATE IN PLACE OF  
FEBRUARY 1 FOR SUBMISSION OF REGULATIONS AND TO SUBSTITUTE  
A 90-DAY PERIOD FOR CONGRESSIONAL REVIEW IN PLACE OF  
30 DAYS. THE CONFEREES ALSO AGREED TO STRIKE REFERENCE  
TO QUOTE SUBSEQUENTLY ISSUED REGULATIONS UNQUOTE WHICH  
WOULD AMEND OR MODIFY THE REGULATIONS CONTAINED IN THE  
EXECUTIVE BRANCH PLAN.

5. WITH RESPECT TO CUTTING AMENDMENTS, THE HOUSE  
RECEDED TO THE SENATE UNALLOCATED 5 PERCENT CUT --  
EXCLUDING ONLY ASHA FROM SUCH CUT. ON ACCOUNT CEILINGS  
TO WHICH THE 5 PERCENT CUT WOULD BE APPLIED THE CONFEREES  
AGREED ON THE FOLLOWING FIGURES (IN MILLIONS) TO BE  
ALLOCATED IN THE APPROPRIATIONS PROCESS:

-	CONFERENCE	
-	AMOUNTS	
	BILATERAL DEVELOPMENT ASSISTANCE	
-	FOOD AND NUTRITION	665
-	POPULATION PLANNING	225
-	HEALTH	148
-	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	109
-	TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION AND SELECTED DEVELOPMENT	
-	PROBLEMS	126
-	SUBTOTAL	1,274
	ASHA	25

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INTERNATIONAL ORGANIZATIONS AND PROGRAMS	285
WORLD ASSEMBLY ON AGING	1
LOCUST CONTROL	2
ASSISTANCE TO AFRRICAN REFUGEES	15

OPERATING EXPENSES (AID)	261
- SUBTOTAL	1,863
INTERNATIONAL DISASTER ASSISTANCE	25
- SUBTOTAL	1,888
- TOTAL (LESS 5 PERCENT)	1,794

6. WITH RESPECT TO ECONOMIC SUPPORT FUND (ESF) PROVISIONS, THE HOUSE RECEDED TO THE SENATE AMENDMENT LOCATING ESF IN THE SECURITY ASSISTANCE BILL WITH MILITARY AND OTHER SECURITY ASSISTANCE PROGRAMS ON CONDITION THAT REPORT LANGUAGE BE ADDED RECOMMENDING RECONSIDERATION OF THE LOCATION OF ESF AT A LATER TIME. WITH ESF IN THE SECURITY BILL, CONSIDERATION OF SUBORDINATE ESF ISSUES WAS LEFT TO THE SECURITY BILL CONFERENCE.

7. AT THE SUBSEQUENT SECURITY BILL (S. 3075) CONFERENCE AUGUST 15, HOUSE AND SENATE CONFEREES COMPLETED ACTION ON THE ECONOMIC SUPPORT FUND PROVISIONS. THE CONFEREES AGREED AS FOLLOWS:

A. ON EARMARKINGS FOR THE MIDDLE EAST PROGRAM, THE HOUSE RECEDED TO THE SENATE VERSION WHICH ONLY EARMARKED FOR ISRAEL, EGYPT AND JORDAN WITHOUT REFERENCE TO SYRIA, MAQARIN DAM AND PRIVATE VOLUNTARY AGENCY DEVELOPMENT PROJECTS. THE CONFEREES, HOWEVER, AGREED TO INCLUDE REPORT LANGUAGE FAVORING ALLOCATION OF FUNDS IN THE AMOUNTS PROPOSED IN THE HOUSE BILL (E.G. DOLS. 90 MILLION FOR SYRIA);

B. ON THE SENATE BILL PROVISION THAT THE TOTAL AMOUNT OF FUNDS EARMARKED FOR ISRAEL MAY BE AVAILABLE AS A CASH TRANSFER, THE HOUSE RECEDED;

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C. ON THE ISSUE OF QUOTE TWO-THIRDS UNQUOTE VERSUS QUOTE 67 PERCENT UNQUOTE FOR GRANT ASSISTANCE TO ISRAEL AND EGYPT, THE HOUSE QUOTE TWO-THIRDS UNQUOTE LANGUAGE PREVAILED;

D. ON THE SENATE BILL PROVISION REQUESTING THAT AT LEAST DOLS. 65 MILLION OF THE DOLS. 750 MILLION PROVIDED FOR EGYPT BE USED FOR THE DEVELOPMENT AND ENCOURAGEMENT OF PRIVATE ENTERPRISE, THE HOUSE RECEDED;

E. ON THE HOUSE BILL PROVISION EARMARKING DOLS. 3 MILLION FOR THE PROMOTION OF REGIONAL COOPERATION AND DEVELOPMENT AS COMPARED WITH A DOLS. 25 MILLION EARMARKING IN THE SENATE BILL, THE HOUSE RECEDED, SUBJECT TO MODIFICATION OF THE AMENDMENT LIMITING THE EARMARK TO DOLS. 5 MILLION AND REDUCING THE TOTAL AMOUNT OF THE SENATE BILL BY DOLS. 20 MILLION; AND

F. HOUSE PROVISIONS REQUIRING A REPORT ON FEASIBLE REGIONAL PROJECTS IN THE MIDDLE EAST AND PROHIBITING THE USE OF FUNDS FOR THE PLO WERE ELIMINATED AS NON CONFERENCEABLE.

8. THE EARMARKING FOR SOUTHERN AFRICA CAME IN FOR CONSIDERABLE DEBATE IN THE CONFERENCE, PARTICULARLY THE SENATE AMENDMENT EARMARKING DOLS. 10 MILLION FOR QUOTE HUMANITARIAN ASSISTANCE TO THE PEOPLE OF RHODESIA UNQUOTE AND AN ADDITIONAL DOLS. 10 MILLION FOR EDUCATIONAL AND VOCATIONAL TRAINING PROGRAMS FOR RHODESIA. CONGRESSMEN SOLARZ AND BINGHAM VIGOROUSLY OPPOSED THE SENATE LANGUAGE ARGUING THAT IT WOULD BE PREMATURE TO LIFT SANCTIONS OR TO GIVE QUOTE IMPLICIT ENDORSEMENT UNQUOTE OF AN INTERNAL SETTLEMENT. ADOPTING A JAVITS COMPROMISE, THE CONFEREES AGREED TO EARMARK DOLS. 10 MILLION TO UNCLASSIFIED

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QUOTE AFRICAN REFUGEES AND PERSONS DISPLACED BY WAR AND STRIFE UNQUOTE (IN PLACE OF THE QUOTE HUMANITARIAN ASSISTANCE FOR THE PEOPLE OF RHODESIA UNQUOTE LANGUAGE) AND TO ELIMINATE SEPARATE EARMARKING FOR EDUCATIONAL AND VOCATIONAL TRAINING PROGRAMS FOR RHODESIA. THE CONFEREES ALSO AGREED TO REDUCE THE CEILING FOR SOUTHERN AFRICA PROGRAMS TO DOLS. 55 MILLION AND TO REDUCE THE TOTAL AMOUNT OF THE BILL BY AN ADDITIONAL DOLS. 15 MILLION. ON A HOUSE BILL PROVISION AUTHORIZING TRADE CREDITS FOR THE PURCHASE OF U.S. PRODUCTS TO SOUTHERN AFRICA COUNTRIES AFFECTED BY BLOCKED OUTLETS FOR THEIR EXPORTS, THE HOUSE RECEDED TO A SENATE PROVISION WHICH MERELY AUTHORIZES QUOTE ECONOMIC SUPPORT UNQUOTE TO COUNTRIES IN THE REGION. ON THE EARMARKING OF DOLS. 15 MILLION FOR CYPRUS, THE HOUSE RECEDED TO THE SENATE LANGUAGE EARMARKING NOT LESS THAN DOLS. 15 MILLION FOR QUOTE REFUGEE RELIEF AND RECONSTRUCTION.UNQUOTE. VANCE

NOTE: ORIG DIST: AID/ISO-\$,AF,H,SS,SP,ABF,EB,IO,NEA,HA,EUR,

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** CENTRAL LEGISLATURE, FOREIGN ASSISTANCE PROGRAMS, APPROPRIATIONS, MEETING REPORTS  
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**Copy:** SINGLE  
**Draft Date:** 24 aug 1978  
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